

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA DIVISION**

In re:

The Litigation Practice Group P.C.

Debtor(s).

Case No.: 8:23-bk-10571-SC

CHAPTER 11

**ORDER REJECTING AND DENYING
APPROVAL OF PROPOSED ORDER: (I)
APPROVING PROPOSED DISCLOSURE
STATEMENT; (II) APPROVING
SOLICITATION AND VOTING
PROCEDURES; (III) APPROVING NOTICE
AND OBJECTION PROCEDURES FOR
CONFIRMATION OF JOINT CHAPTER 11
PLAN OF LIQUIDATION; (IV) SETTING
RELATED DEADLINES; AND (V)
GRANTING RELATED RELIEF**

Date: May 15, 2024

Time: 1:30 p.m.

Courtroom: 5C

On May 15, 2024, the Court held a hearing on approval of Joint Motion of the Chapter 11 Trustee and Official Committee of Unsecured Creditors: (I) Approving Proposed Disclosure Statement; (II) Approving Solicitation and Voting Procedures; (III) Approving Notice and Objection Procedures for Confirmation of Joint Chapter 11 Plan of

1 Liquidation; (IV) Setting Related Deadlines; and (V) Granting Related Relief [Docket No.
2 1059] (the “Motion”), filed by the Official Committee of Unsecured Creditors (the
3 “Committee”) and Richard A. Marshack, in his capacity as the chapter 11 trustee of the
4 Debtor (the “Trustee” and, together with the Committee, the “Plan Proponents”).
5 Appearances are as noted in the record.

6 In connection with the Motion, the Court considered the Joint Chapter 11 Plan of
7 Liquidation (Dated March 22, 2024) [Docket No. 1057] filed by the Plan Proponents and
8 described in the related disclosure statement [Docket No. 1058], the Disclosure
9 Statement, the Plan, the Declaration of Richard A. Marshack attached to the Motion (the
10 “Marshack Declaration”), the Official Committee of Unsecured Creditors’ Letter in
11 Support of the Joint Plan of Liquidation in the proposed form attached to the Motion; the
12 Notice of First Supplement to Disclosure Statement Describing Joint Chapter 11 Plan of
13 Liquidation (Dated March 22, 2024) [Docket No. 1145]; the United States Trustee’s
14 Limited Opposition to Disclosure Statement Describing Joint Chapter 11 Plan of
15 Liquidation[] (Dated March 22, 2024) [Docket No. 1160]; the Objection of Greyson Law
16 Center PC, Jade Trinh & Han Trinh, to Specific Portions of Disclosure Statement and
17 Proposed Chapter 11 Plan, Filed by Chapter 11 Trustee Marshack and Creditors’
18 Committee [Docket No. 1167]; the Limited Opposition to Joint Motion of the Chapter 11
19 Trustee and Official Committee of Unsecured Creditors for Entry of an Order: (I)
20 Approving Proposed Disclosure Statement; (II) Approving Solicitation and Voting
21 Procedures; (III) Approving Notice and Objection Procedures for Confirmation of Joint
22 Chapter 11 Plan of Liquidation; (IV) Setting Related Deadlines; and (V) Granting Related
23 Relief [Docket No. 1201]; the Joint Omnibus Reply of the Chapter 11 Trustee and
24 Official Committee of Unsecured Creditors in Support of Motion for Entry of an Order: (I)
25 Approving Proposed Disclosure Statement; (II) Approving Solicitation and Voting
26 Procedures; (III) Approving Notice and Objection Procedures for Confirmation of Joint
27 Chapter 11 Plan of Liquidation; (IV) Setting Related Deadlines; and (V) Granting
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1 Related Relief [Docket No. 1217]; and the Notice of Proposed Revised Treatment of
2 Class 3B and Related Disclosure [Docket No. 1226].

3 At the May 15, 2024 hearing, at which all interested parties were present, the
4 Court approved the Disclosure Statement, subject to certain amendments, and set
5 certain confirmation-related deadlines governing the Plan Proponents' confirmation
6 efforts.

7 On June 3, 2024, the Plan Proponents filed an Amended Plan [Docket No. 1273],
8 an Amended Disclosure Statement [Docket No. 1274], and a Notice of Exhibits to the
9 Proposed Order Approving the Amended Disclosure Statement. The Plan Proponents
10 then lodged an order at approximately 4:30 p.m. and contacted Chambers for the
11 purposes of seeking expedited approval of the proposed order approving a First
12 Amended Disclosure Statement¹.

13 Having reviewed the foregoing, the Court cannot approve the proposed order as
14 presented. While the error in failing to file a Notice of Lodgment, or obtain pre-filing
15 review by the objecting parties, has been cured through the filing of the subsequent
16 Notice of Lodgment, the proposed order seeks approval of various exhibits² which have
17 not previously been presented to the Court. The Court notes that these exhibits were
18 those which were labeled as "omitted exhibits" in an attachment to the motion seeking
19 approval of the disclosure statement filed March 22, 2024 [Docket No. 1059] and were
20 to have been filed prior to the May 15, 2024, hearing, but were not. The Court cannot
21 approve the form of these exhibits without prior notice to the creditor-body.

22 Further, certain confirmation-related dates were established at the May 15, 2024,
23 hearing. The deadline for solicitation commencement is June 5, 2024, pursuant to an
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26 ¹ A Notice of Lodgment had not been filed in contravention of Local Bankruptcy Rule 9021-1(b)(3) when
27 the initial request to Chambers was made for expedited approval; one was filed thereafter [see, Docket
28 No. 1276].

² The exhibits presented to the Court for the first time are as follows: Exhibit A (the Confirmation Hearing Notice); Exhibit B (the Notice of Non-Voting Accepting Status and Confirmation Hearing); Exhibit C (Notice of Non-Voting Rejecting Status and Confirmation hearing); and Exhibit D (the Ballots).


1 order entered May 30, 2024 [Docket No. 1263]. This date will have come and passed by
2 the time the seven-day period in which to review the lodged order expires.

3 The Plan Proponents must seek, by motion, an extension of the affected
4 confirmation dates and approval of the form of notices. The objecting parties must be
5 afforded the opportunity to review and be heard on the foregoing.

6 Accordingly, for the foregoing reasons, the proposed order approving the
7 disclosure statement, as presented, is denied.

8 **IT IS SO ORDERED.**

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25 Date: June 4, 2024


Scott C. Clarkson
United States Bankruptcy Judge